



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



**UNITED STATES
DEPARTMENT OF THE INTERIOR
UTAH STATE OFFICE
440 WEST 200 SOUTH, SUITE 500
SALT LAKE CITY, UTAH 84101**

NOTICE OF COMPETITIVE LEASE SALE GEOTHERMAL RESOURCES UTAH

November 4, 2008

We are pleased to announce that we will offer for competitive sale certain Federal lands in the State of Utah for Federal geothermal leasing. This notice describes:

- The time and place of the sale;
- How to participate in the bidding process;
- The sale process
- The conditions of the sale;
- How to file a noncompetitive offer after the sale;

The sale will be held in accordance with the Energy Policy Act of 2005, and the Final rules issued May 2, 2007, (43 CFR Parts 3000, 3200 and 3280, Fed. Reg. Vol. 72, No. 84).

Attached to this notice is a list of the lands we are offering by parcel number, and description. We have included any special conditions or restrictions that will be made a part of the lease below each parcel. The bid form (Form 3000-2, dated January 2007) can be found at www.blm.gov/FormsCentral/show-home.do.

When and where will the sale take place?

When: The competitive oral auction will begin at 8:00 a.m. on December 19, 2008. The sale room will be open at 7:30 a.m. so you can register and get your bidding number.

Where: We will hold the sale at the Bureau of Land Management, Utah State Office, 3 Gateway Building, 440 West 200 South, Fifth Floor, Monument Conference Room 532, Salt Lake City, Utah. There are parking facilities in the building.

Access: The sale room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the sale, such as sign language interpreter or materials in an alternate format, contact Judy Nordstrom (801) 539-4108, by December 8, 2008.

How do I participate in the bidding process?

To participate in the bidding process, you must register for and get a bidding number. We will begin registering bidders at 7:30 a.m. on the day of the sale. You must display your bid number to the auctioneer when you submit a bid.

- The auctioneer will offer the geothermal parcels on page 1 as individual parcels. All other parcels will be sold as blocks. (One bid for all parcels in a block). If no one bids on the block, the auctioneer will offer the parcels individually.
- After we have offered all the parcels, you may ask the auctioneer to re-offer any unsold parcels.
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid of \$2 per acre;
- BLM will reject all bids and re-offer a parcel if we determine that the high bidder is not qualified, or the high bidder fails to make all of the required payments; and
- The decision of the auctioneer is final.

The minimum bid BLM can accept is \$2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x 101 acres).

What conditions apply to the lease sale?

•Parcel withdrawal or sale cancellation: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the Utah State Office Business Information Center (Public Room) before the day of the sale. We will announce withdrawn parcels before the sale begins.

•Payment due: You cannot withdraw a bid. Your bid is a legal binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. You must pay immediately after the sale the following (1) Twenty percent of the bonus bid; (2) the total amount of the first year's rental (\$2 per acre); and (3) the \$140 competitive lease processing fee. All payments must be paid by 4:30 on the day of the sale. Within 15 calendar days after the last day of the sale, you must submit the balance of the bid to the Utah State Office BLM.

•**Forms of payment:** You must pay by personal check, certified check, money order, credit card (Discover, Visa, American express or MasterCard only). Make checks payable to: **Department of the Interior-BLM**. We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangement. However, we cannot grant you and extension of time to pay the money that is due the day of the sale.

•**Limitations on Credit Cards and Debit Payments:** Per IM No. BC-2005-008, Change 1, dated December 13, 2004 effective February 1, 2005, credit or debit cards cannot be used for any amount in excess of \$99,999.99 for any purpose.

Bid Form: On the day of the sale, if you are a successful bidder you must give us a properly completed and signed competitive bid form (Form 3000-2, dated January 2007) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

We recommend you get a copy of the bid form and complete it prior to the sale. Your completed bid form certifies that:

- (1) You and the prospective lessee are qualified to hold a geothermal lease under our regulations at 43 CFR 3202; and
- (2) Both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

• **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. A lease is effective the first day of the month following the month in which we sign it.

• **Lease Terms:** A lease issued as a result of this sale will have primary term of 10 years. It will continue beyond its primary term as long as geothermal in paying quantities is produced on or for the benefit of the lease. The annual rental will be \$2 per acre for the first year and \$3 per acre for years 2 through 10. Beginning with the eleventh lease year, the rental rate for all leases increases to \$5 per acre. Rentals are due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty at 1.75 percent for the first 10 years, and 3.5 percent thereafter.

• **Stipulations:** Some parcels have special requirements or restrictions, which are called stipulations. These are included with the parcel descriptions. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.

All Federal geothermal lease rights are granted subject to applicable laws under Section 6 of the lease terms, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16 U.S.C. 1531 et. Seq. In accordance with Washington Office Instruction Memorandum No. 2002-174 each parcel included in this lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation.

In accordance with WO Instruction Memorandum No. 2005-003, Cultural Resources and Tribal Consultation, for Fluid Minerals Leasing, each parcel in this lease sale will be subject to the attached Cultural Resource Protection Stipulation.

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid at the competitive lease sale will be available for noncompetitive leasing for a two-year period beginning the first business day following the sale. Submit two executed copies of the applicable noncompetitive lease form to BLM, along with the \$365 processing fee and advance rental in the amount of \$1 per acre. At least one form must have an original signature. We will accept only exact copies of the form on one 2-sided page. Lands must be described as specified in the regulations at 43 CFR 3204.11(a) (1)

- An Offer to Lease Form properly completed and signed. (Submit 2 executed copies of the applicable form to BLM. At least one form must have an original signature. We will accept only exact copies of the form on one 2-sided page. Note: You may copy the lease form, but you must copy the four pages of the lease document onto two pages. If you copy the form on 4 pages or use an obsolete lease form, we will reject your offer. Any copy you make should be legible.) Describe the lands in your offer as specified in our regulations at 43 CFR 3204.11(a) (1).

For 30 days after the competitive geothermal lease sale, noncompetitive applications will be accepted only for parcels as configured in the Notice of Competitive Geothermal Lease Sale. Subsequent to the 30-day period, you may file a noncompetitive application for any available lands covered by the competitive lease sale, not to exceed 5,120 acres per lease.

- Your payment for the total of the \$365 filing fee and the advanced first year's rental (\$1 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

Put the above items in a sealed envelope marked "Noncompetitive Offer" and place the envelope in the drop box in the Utah State Office Information Access Center (Public Room). We consider all offers filed the day of a sale and the first business day after it, for any of the unsold parcel, filed at the same time. If a parcel receives more than one offer, we will hold a drawing to pick the winner.

All applications for a particular parcel will be considered simultaneously filed if received in the proper BLM office any time during the first business day following the competitive lease sale. You may submit only one application per parcel. An application will not be available for public inspection the day it is filed. BLM will randomly select an application amount those accepted on the first business day to receive a lease offer.

Subsequent to the first business day following the competitive lease sale, the first qualified applicant to submit an application will be offered the lease. If BLM receives simultaneous applications as to date and time for overlapping lands, BLM will randomly select one to receive a lease offer.

May I withdraw my application for a noncompetitive lease?

During the 30-day period after the competitive lease sale, BLM will only accept a withdrawal of the entire application. Following that 30-day period, you may withdraw your noncompetitive lease application in whole or in part at any time before BLM issues the lease. If a partial withdrawal causes your lease application to contain less than the minimum acreage required (640 acres, or all lands available for leasing in the section, whichever is less), BLM will reject the application.

How can I find out the results of this sale?

We will post the sale results in the Utah State Office Information Access Center. You can buy a printed copy of the results list from the Utah State Office Information Access Center for \$5.00. Additionally, the list will be available at our Utah State Office public internet site:

<http://www.blm.gov/ut/st/en/prog/energy/geothermal0.html>

For more information, please contact Judy Nordstrom, BLM Utah State Office, at (801) 539-4108.

/s/ Kent Hoffman

Kent Hoffman
Deputy State Director
Division of Lands and Minerals



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IN REPLY REFER TO:
3100
(UT-922)

Cultural Resource Protection – Lease Stipulation

“This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.”

Threatened and Endangered Species Act Stipulation

The lease area may now or hereafter contain plants, animals or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that would contribute to a need to list such species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. 1531 et seq. including completion of any required procedure for conference or consultation.



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IN REPLY REFER TO:
3100
(UT-922)

PUBLIC NOTICE

Bidders are reminded that a bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. There have been cases in past oral auctions where the minimum deposit due from the high bidder on the day of the auction was not paid, or was paid by check drawn on an account with insufficient funds. The Bureau of Land Management will be closely monitoring situations of this nature to determine whether further measures should be initiated to protect the integrity of the system.

**BIDDER REGISTRATION FORM
COMPETITIVE GEOTHERMAL LEASE SALE**

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease.

I certify that any bid submitted by the undersigned or on behalf of the principal party is a good faith intention by the undersigned or the principal party to acquire a geothermal lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute BLM Form 3000-2 and to accept the lease. Additionally, if a bid is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to minimum monies owed the day of sale for that bid, as set out in applicable regulations. Further, the undersigned or the principal party acknowledge that these monies are due to the Bureau of Land Management, whether or not a lease is subsequently issued as a result of the winning bid.

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

A separate form is required for each company or individual you are representing.

Please fill in the company/individual name and address as it will appear on the issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. (NOTE: Please use the same lessee name and address information on BLM Form 3000-2.)

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(including area code)

Relationship to lessee: _____
(Self, Agent, Attorney-in-fact, President, etc.)

Signature

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
**COMPETITIVE OIL AND GAS OR
GEOTHERMAL RESOURCES LEASE BID**
30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;
30 U.S.C. 1001-1025; 42 U.S.C. 6508

State

Date of Sale

| PARCEL NUMBER | AMOUNT OF BID <i>(see instructions below)</i> | |
|---|---|----------------------------|
| | TOTAL BID | PAYMENT SUBMITTED WITH BID |
| THE BID IS FOR <i>(check one)</i> : <input type="checkbox"/> Oil and Gas Parcel Number _____ | | |
| <input type="checkbox"/> Geothermal Parcel Number _____ Name of Known Geothermal Resource Area (KGRA) _____ | | |

The appropriate regulations applicable to this bid are: (1) for oil and gas leases--43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases--43 CFR 3132; and (3) for Geothermal resources leases--43 CFR 3220. *(See details concerning lease qualifications on next page.)*

I CERTIFY THAT I have read and am in compliance with; and not in violation of the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form where the offer is the high bid, constitutes a binding lease offer including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made will result in rejection of the bid and forfeiture of all monies submitted.

| | | |
|---------------------------------------|--|--------------|
| _____ Print or Type Name of Lessee | _____ Signature of Lessee or Bidder | |
| _____ Address of Lessee | | |
| _____ City | _____ State | _____ Zip |

INSTRUCTIONS FOR OIL AND GAS BID
(Except NPR-A)

1. Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the *Notice of Competitive Lease Sale*.
2. Bid must be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance must be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, must be submitted to the proper Bureau of Land Management (BLM) office within 10 working days after the last day of the oral auction. **Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.**
3. If the bidder is not the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the BLM.
4. This bid may be executed (*signed*) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
5. In view of the above requirement (4), the bidder may wish to leave the AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the BLM at the oral auction.

INSTRUCTIONS

INSTRUCTIONS FOR GEOTHERMAL OR
NPR-A OIL AND GAS BID

1. Separate bid for each parcel is required. Identify the parcel by the number assigned to a tract.
2. Bid must be accompanied by one-fifth of the total amount of the bid. The remittance must be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.
3. Mark the envelope "Bid for Geothermal Resources Lease" in (*Name of KGRA*) or "Bid for NPR-A Lease," as appropriate. Be sure correct parcel number of tract on which the bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
4. Mail or deliver bid to the proper BLM office or place indicated in the *Notice of Competitive Lease Sale*.
5. If the bidder is not the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the BLM.



ATTENTION COMPETITIVE & NON-COMPETITIVE GEOTHERMAL APPLICANTS

You may now use your VISA, MASTERCARD, DISCOVER OR AMERICAN EXPRESS credit card to pay for your Competitive Oil and Gas bids and Non-competitive filings.

Payment Requirements:

1. Competitive Bid Sale - VISA, MASTERCARD, DISCOVER OR AMERICAN EXPRESS must be presented immediately after the close of sale.
2. Non-competitive Offers – You may mail or express mail your non-competitive offers with the attached VISA, MASTERCARD, DISCOVER OR AMERICAN EXPRESS payment form (BLM 1372-2). This BLM form must be completely filled out. Failure to complete the BLM credit form could result in rejection of your offer. (Copy of Credit Card Form on next page)

Form 1372-2
(March 1990)



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CREDIT CARD PAYMENT FORM

This Bureau of Land Management (BLM) bill may be charged to your VISA or MASTERCARD, or paid by cash, check or other negotiable instrument.

If you wish to pay through the mail using your credit card, please complete this card and mail it with a copy of the bill to your BLM billing office. If you wish to pay by telephone using your credit card, please call the BLM billing office at (801) 539-4001.

NAME _____ AMOUNT PAID \$ _____

CREDIT CARD NUMBER

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VISA

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EXPIRATION DATE:

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MONTH

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BILL NUMBER _____ SIGNATURE _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

* U.S. GPO: 1996-775-008-46030